This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L TEGUCIGALPA 002457

SIPDIS

STATE FOR EB/IFD, WHA/EPSC, INR/IAA, DRL/IL, AND WHA/CEN STATE FOR CA/OCS/ACS/WHA AND DS TREASURY FOR DDOUGLASS STATE PASS AID FOR LAC/CAM DOL FOR ILAB

E.O. 12958: DECL: 12/06/2015
TAGS: ASEC CASC ECON EFIN ELAB ENRG EPET HO PGOV
SUBJECT: HONDURAS: FINAL FUEL REPORT DELAYED; STRIKES
THREATENED

REF: TEGUCIGALPA 02194

Classified By: EconChief PDunn for reasons 1.5 (B and D)

- 11. (U) Presentation of the third and final report on fuel pricing by the Honduran "Notables Commission" (a select commission of Honduran citizens convoked by Congress to recommend reforms for gasoline imports pricing) has reportedly been delayed until Wednesday, December 7, when commission head Cardinal Oscar Andres Rodriguez is expected to return from outside the country. The report, drafted by an independent U.S. citizen consultant (reftel), examines the pricing formula that the GOH uses to set prices and margins throughout the fuel distribution process. The Honduran Congress will be responsible for implementing the report, s recommendations.
- 12. (C) According to Rosanna Guevara, a local journalist who recently resigned from the Notables Commission, the report is very well balanced, but its release had been deliberately delayed until after the tightly contested presidential elections. &I resigned because the process has become too political. The report has been ready for at least a week,8 she said. She is also concerned that the report might not be published in full, with only summary information released to the public. &If it comes out now, it would be very well received by all parties involved. With more delay comes more pressure, which could result in strikes or demonstrations,8 she said.
- 13. (C) Gasoline importers apparently will suffer most from the report,s recommendations. Mario del Cid, representative of the Honduran Petroleum Industry group, has read the report,s executive summary. & The importers had the smallest margin to begin with, and they will receive the biggest cuts, 8 he said. The consultant,s recommendations, which will likely include establishing a GOH unit to buy fuel, will cut directly into the importers profits. & We, ve had the least input into this process and we, 11 be the ones to suffer the most. & At least one U.S. importer is considering pulling out of the country if the report,s recommendations are implemented, according to del Cid.
- 14. (C) The Honduran Patriotic Coalition of Solidarity, which represents about 60 organizations mainly involved in fuels transportation, has threatened to strike on Wednesday, December 7, if the report does not come out by midnight on December 6. However, Mauricio Aguilar, Director of Transportation for SOPTRAVI (the Honduran Transportation Agency) said to EconOff late Tuesday, December 6 that an agreement has been reached between the Coalition and the Notables Commission to wait until Thursday, December 8 to release the report.